

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-409-C - ORDER NO. 98-1018

DECEMBER 21, 1998

IN RE: Application of North American Telephone) ORDER APPROVING ✓
Network, LLC for a Certificate of Public) CERTIFICATE TO
Convenience and Necessity to Provide Local) PROVIDE LOCAL
Exchange Telecommunications Services) EXCHANGE SERVICES
within the State of South Carolina.)

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of North American Telephone Network, L.L.C. ("North American" or "the Company") for a Certificate of Public Convenience and Necessity to permit it to provide resold local exchange telecommunications services to customers located in South Carolina. The Application was filed pursuant to S.C. Code Ann. § 58-9-280 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed North American to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. North American complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC"). Prior to the hearing, counsel for SCTC filed a Stipulation in which North American stipulated that it would only seek authority in non-rural local exchange

("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until North American provided written notice of its intent prior to the date of the intended service. North American also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. North American agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to North American's Application provided the conditions contained in the Stipulation are met. At the hearing on North American's Application, the Stipulation was offered into evidence. The Stipulation is approved and attached hereto as Exhibit 1.

A hearing was commenced on December 2, 1998, at 10:30 a.m., in the Commission's Hearing Room. The Honorable Philip T. Bradley, Chairman, presided. North American was not represented by counsel. F. David Butler, General Counsel, represented the Commission Staff.

Ron Levitt, Chief Financial Officer of the Company, appeared and offered testimony in support of North American's application. (Levitt adopted the pre-filed testimony of Hans Kasper.) The purpose of Levitt's testimony was to support North American's Application for a Certificate of Public Convenience and Necessity to provide competing local exchange services in South Carolina.

DISCUSSION

S.C. Code Ann. § 58-9-280 (Supp. 1997) provides that the Commission may grant a certificate to operate as a telephone utility...to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, North American's application, and evidence submitted by North American, the Commission finds and concludes that the Certificate sought by North American should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. § 58-9-280 (Supp. 1997) and the evidence submitted in support of the motion which relates to that criteria:

1. The Commission finds that North American possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. § 58-9-280(B)(1) (Supp. 1997). Mr. Levitt stated that North American possesses the financial stability to service the South Carolina market. Mr. Levitt stated that North American's management team consists of a group of individuals who have significant business experience and telecommunications experience.

The record reveals that North American is a limited liability company in the State of Georgia. In addition to describing the services which North American proposes to offer, Mr. Levitt explained North American's billing procedures and North American's customer service arrangements.

Based on the undisputed testimony of witness Levitt, the Commission finds that North American possess the technical, financial, and managerial resources sufficient to provide the services requested.

2. The Commission finds that North American will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B) (Supp. 1997). Mr. Levitt indicated that North American would offer services which comply with the Commission's service standards and also stated that North American will comply with all applicable rules, policies and statutes applicable to the offering of those services. Based on the undisputed testimony Mr. Levitt, the Commission believes, and so finds, that North American will provide telecommunications services that will meet the service standards of the Commission.

3. The Commission finds that North American's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1997). Mr. Levitt's testimony reveals that North American believes that approval of its Application will facilitate competition in the local exchange market whereby the customer will ultimately benefit with higher quality and lower cost service. No evidence was introduced contradicting the testimony of Mr. Levitt. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by North American will not adversely impact affordable local exchange service.

4. The Commission finds that North American will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (Supp. 1997). Mr. Levitt stated that North American would comply with the Commission's universal service requirements and would participate in the support of universally available telephone service at affordable rates to the extent it may be required to do so by the

Commission. Additionally, in the Stipulation which North American voluntarily entered with the SCTC, North American agreed to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. Based on the undisputed evidence of record, the Commission finds that North American will participate in support of universally available telephone service at affordable rates.

5. The Commission finds that the provision of local exchange service by North American "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) Supp. 1997). Mr. Levitt stated that approval of North American's Application would not adversely affect the public interest. Mr. Levitt testified that approval of North American's Application would offer the South Carolina market an alternate source for local exchange service and create an atmosphere of competition in the local exchange market where the end-user would benefit with higher quality, lower cost service. No evidence contradicting Mr. Levitt was introduced. Therefore, based on the undisputed evidence of record, the Commission finds that approval of North American's Application to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997).

Therefore, based on the findings above, the Commission finds and concludes that a Certificate of Public Convenience and Necessity should be granted to North American to permit it to provide local exchange telecommunications services to customers in South Carolina. The Commission also grants a waiver of its requirements, and hereby allows the use of GAAP for financial reporting.

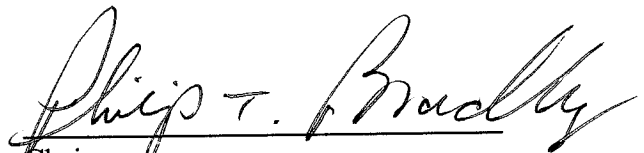
IT IS THEREFORE ORDERED THAT:

1. The Application of North American for a Certificate of Public Convenience and Necessity to permit it to provide local exchange telecommunications services to customers in the State of South Carolina is approved. North American is hereby authorized to provide competitive local exchange services in the areas in South Carolina subject to the terms of the Stipulation between North American and the SCTC. The stipulation is approved by this Commission and is attached to this order as Exhibit 1.
2. North American shall file, prior to offering local exchange service in South Carolina, a final tariff of its service offerings conforming to all matters discussed with the Staff and comporting with South Carolina law in all matters.
3. North American shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relation (complaint) matters, engineering operations, and tests and repairs. In addition, North American shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. North American shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, North American shall promptly notify the Commission in writing if the representatives are replaced.
4. North American is directed to comply with all Commission regulations, unless a regulation is expressly waived by the Commission.

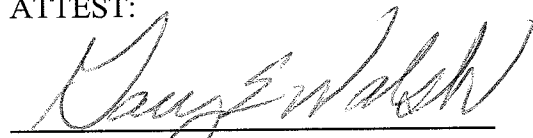
5. North American shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

DOCKET NOS. 98-409-C - ORDER NO. 98-1018
DECEMBER 21, 1998
ATTACHMENT A

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by

Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
Docket No. 98-~~387~~⁴⁰⁹-C

Re: Application of North American Telephone Network, L.L.C.)
for a Certificate of Public Convenience and Necessity to Provide)
to Provide Local Resold Telecommunications Services in)
Services in South Carolina) **STIPULATION**
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The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and North American Telephone Network, L.L.C. ("North American") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to North American's Application. SCTC and North American stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to North American, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. North American stipulates and agrees that any Certificate which may be granted will authorize North American to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. North American stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. North American stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until North American provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, North American acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. North American stipulates and agrees that if, after North American gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then North American will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. North American acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions

contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

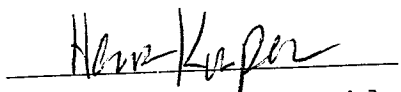
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. North American agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

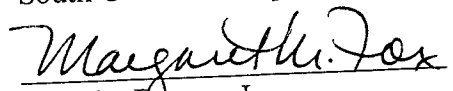
9. North American hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 17th day of November, 1998.

North American Communications, L.L.C.


Hans Kasper, President

South Carolina Telephone Coalition:


M. John Bowen, Jr.
Margaret M. Fox
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina 29201
(803) 799-9800

Attorneys for the South Carolina
Telephone Coalition

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 98-409-C

Re: Application of North American Telephone Network, L.L.C.
for a Certificate of Public Convenience and Necessity to Provide
to Provide Local Resold Telecommunications Services in
Services in South Carolina

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CERTIFICATE OF SERVICE

I, Mia DuRant Briggs, do hereby certify that this day I caused to have served the foregoing
Stipulation to the below named party of record, by having same delivered as indicated, this 18th day
of November, 1998, and addressed as follows:

U.S. MAIL - FIRST CLASS POSTAGE AFFIXED:

Benjamin W. Bronston, Esquire
NOWALSKY, BRONSTON & GOTHARD
3500 North Causeway Boulevard, Suite 1442
Metairie, Louisiana 70002


Mia DuRant Briggs

Columbia, South Carolina